

# **DEMOCRATS BUILD ON EFFORTS TO**

## **HELP SMALL BUSINESSES**

Throughout this Congress, Democrats have fought for small businesses and job creation. Critical to our economic prosperity, small businesses employ over half of all private sector employees and have created 64% of net new jobs over the past 15 years. Despite that fact, Republicans have opposed our efforts to help small businesses, standing instead with corporate interests over middle-class Americans. Republicans continue to block consideration of the Senate version of the Small Business Jobs and Credit Act, which is aimed at increasing lending to small businesses which would help them create new jobs.

So far during the 111th Congress, the House has advanced the following legislation to help small businesses access credit and save and create jobs:

### **Small Business Jobs and Credit Act** – *Passed House 06/17/10*

This bill will boost lending to small businesses by investing capital in community and smaller banks under terms that become more favorable to participating banks as they increase their total loans to small businesses. This measure also includes the provisions of the Small Business Jobs Tax Relief Act, which will help small businesses grow and create new jobs through: 1) 100% exclusion of small business capital gains; 2) small business penalty relief; and 3) an increased deduction for start-up expenditures.

### **Small Business and Infrastructure Jobs Tax Act** – *Passed House 03/24/10*

- Allows a 100% exclusion from gross income of gain from the sale of qualified small business stock acquired after March 15, 2010, and before January 1, 2012.
- Increases the tax deduction for business start-up expenditures in 2010 and 2011.

*(Note: These provisions have been incorporated into the Small Business Jobs and Credit Act.)*

### **Disaster Relief and Summer Jobs Act** – *Passed House 03/24/10*

- Extends the Recovery Act small business lending program, which has already helped save or create over 560,000 jobs.

### **Health Insurance Reform** – *Enacted 3/23/10*

- Offers immediate and long term tax credits to small businesses to make employee coverage more affordable.
- Creates a Health Insurance Exchange where small business employees will have group purchasing power.

### **Hiring Incentives to Restore Employment (HIRE) Act** – *Enacted 3/18/10*

- Exempts employers from paying the employer share of Social Security employment taxes for wages paid in 2010 for any new employee that was previously unemployed and does not replace another employee.
- Provides employers a \$1,000 income tax credit for every new employee they employ for 52 weeks.
- Extends through 2010 the Recovery Act provision that would allow small businesses to write-off capital expenditures up to \$250,000.

**FY 2010 Appropriations** – *Enacted 12/16/09*

- Includes increased funding to revitalize the SBA after eight years of Bush-era budget cuts, so that it may better protect the interests of small businesses.
- Provides \$28 billion in new SBA lending.

**Jobs for Main Street Act** – *Passed House 12/16/09*

- \$354 million, fully offset, to allow the Small Business Administration (SBA) to continue two temporary loan guarantee authorities through the end of fiscal year 2010 to make loans more attractive to borrowers and lenders and to free up capital.

**Worker, Homeownership & Business Assistance Act** – *Enacted 11/06/09*

- Extends the Recovery Act small business provision allowing small businesses to use the extended carryback period for a net operating loss incurred in 2008 or 2009.

**Small Business Financing and Investment Act** – *Passed House 10/29/09*

- Helps small businesses find affordable financing by updating and improving the SBA's capital access programs.

**Small Business Research and Innovation Act** – *Passed House 7/8/09*

- Expands commercialization efforts to get the small businesses revolutionary technology and product into the markets
- Makes it easier for small businesses that participate in SBIR to find capital to fund these innovative breakthroughs– critical at a time of tight credit markets
- Broadens the small businesses in these programs through outreach to rural entrepreneurs, as well as small businesses owned by women, minorities and veterans
- Streamlines these key small business research and development programs to operate more efficiently, meet clear performance standards and put taxpayer dollars to the best use

**Job Creation Through Entrepreneurship Act** – *Passed House 5/20/09*

- For the first time in ten years, strengthens the SBA's Entrepreneurial Development programs, which are responsible for:
  - Providing technical and managerial training to small businesses.
  - Yielding strong returns in terms of economic growth: In 2008, these programs helped generate 73,000 new jobs and infused \$7.2 billion into the economy.

**American Recovery and Reinvestment Act** – *Enacted 2/17/09*

- Allows small businesses to extend the carryback period for up to five years for net operating losses incurred in 2008.
- Enables small businesses to expense up to \$250,000 for capital expenditures in 2009.
- Provides work opportunity tax credits to employers who hire unemployed veterans and disconnected youth.
- Reduces or eliminates fees charged to lenders and borrowers in the SBA 7(a) and 504 loan programs and increases the guarantee level for 7(a) loans.